(c) and (d) No representation has been received from Government of Gujarat recently for reducing the fuel cost. However, the Government of Gujarat had taken up with Ministry of Petroleum and Natural Gas the issue of supply of LSHS to Dhuvaran TPS (534 MW) of Gujarat Electricity Board (GEB) on the basis of the negotiated price formula. Following the Government decision to dismantle the administered price mechanism with effect from 1-4-1998, the Indian Oil Corporation had started raising bill on import parity prices. On account of this, the LSHS supply bills went up substantially. Ministry of Petroleum and Natural Gas have intimated the Government of Gujarat that according to the decision of Government of India on 1-9-1997, the supplies of LSHS to Dhuvaran Power Station of GEB would be made on import parity price. The pricing of Naphtha, LSHS etc. have been decontrolled from 1-4-1998.

Withdrawal by CESCO from distribution of electricity in Orissa

4047. SHRI RAMACHANDRA KHUNTIA : Will the Minister of POWER be pleased to state :

(a) whether Government are aware that the Multinational Company CESCO of AES has withdrawn from the distribution of electricity in Orissa without giving any notice:

(b) if so, whether Government propose to intervene for a negotiated settlement to resolve the matter in order to save the people of Orissa from heavy load shedding;

(c) if so, the efforts made by Government in this regard; and

(d) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA) : (a) to (d) AES Orissa Distribution Pvt. Ltd. which holds 51% shares in CESCO had requested GRIDCO for permission to sell/transfer shares held by them in CESCO to a third party or in the alternative have offered GRIDCO to acquire their shares at a reasonable negotiated price. GRIDCO had rejected the offer in terms of the provisions contained in the shareholder's agreement, which provide for a lock-in period upto 31-3-2002. Efforts to find an amicable settlement have not yielded results. On the basis of a petition filed by the GRIDCO, the Orissa Electricity Regulatory Commission have passed orders on 27-8-2001 appointing a Chief Executive Officer who would manage the affairs of CESCO as an interim arrangement to ensure that CESCO continues to discharge its obligation as a licensee.